

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Rainey Analyst: Kimberly Pantoja Bill Number: SB 250

Related Bills: See Prior Telephone: 845-4786 Amended Date: 03/15/99

Analysis

Attorney: Doug Bramhall Sponsor:

SUBJECT: Residential Swimming Pool Safety Devices Credit

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced January 27, 1999.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO Neutral.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED January 27, 1999 STILL APPLIES.

OTHER - See comments below.

SUMMARY OF BILL

Under the Personal Income Tax Law (PITL), this bill would allow a one-time credit equal to 80% of identified costs, up to \$1,000 per year, for adding or upgrading approved safety devices for a residential swimming pool located in this state that is owned by the taxpayer and built before January 1, 2000.

SUMMARY OF AMENDMENT

The March 15, 1999, amendments added a definition for "residential swimming pool" to mean any pool located at a single or double family home, that is used by residents, and is not available to the public.

Except for the position change, the remainder of the department's analysis of the bill as introduced January 27, 1999, still applies. The following implementation considerations still apply and are included below for convenience.

Implementation Considerations

The bill provides for a one-time credit equal to 80% of the amount paid or incurred, not to exceed a maximum credit amount of \$1,000 per year. Clarification is needed on whether the "one-time" and \$1,000 limitations apply to a single residential swimming pool, a single year, or a single taxpayer. For example, the taxpayer theoretically could claim the credit on pools both at his residence and at rental property, or incur costs in more than one year, and claim a credit of up to \$1,000 in each year.

BOARD POSITION

Neutral.

At its March 23, 1999, meeting, the Franchise Tax Board voted 2-0 to take a neutral position on this bill, as introduced January 27, 1999.

Board Position:

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Department/Legislative Director

Date

Johnnie Lou Rosas

3/25/1999